

The actions delineated below were taken in open session of the Kentucky Agricultural Development Board at the December 20, 2013 regular business meeting. This is provided in summary form; an official record of the meeting is available in the permanent records of the Governor's Office of Agricultural Policy, 404 Ann Street, Frankfort, Kentucky 40601.



**Kentucky Agricultural Development Board  
Summary Minutes of the Regular Business Meeting  
Franklin County Cooperative Extension Office  
Frankfort, Kentucky  
December 20, 2013**

**Call to Order**

James R. Comer, presiding, called the Kentucky Agricultural Development Board (KADB) regular business meeting to order at 10:12 a.m (EST).

**Roll Call**

The following members were present: Dr. Betty Bailey; Roy Collins; Karen Curtis; Don Goodin (designee for Secretary Larry Hayes); Pat Henderson; Sam Lawson; Jim Mahan; Wayne Mattingly; Sam Moore; Troy Rankin; Dr. Teferi Tsegaye (designee for President Mary Sias); Jim Sidebottom; Dean M. Scott Smith; James R. Comer, Vice Chairman and Jamie Link (designee for Governor Steven L. Beshear).

Members absent: Wayne Hunt

**Notification of Media**

Commissioner Comer received verification from Sandy Gardner, Director of Communications, that the media has been notified of the KADB monthly meeting.

**Approval of Minutes**

Commissioner Comer entertained a motion to approve the minutes of the November 22, 2013 board meeting.

Jim Sidebottom moved to approve the minutes as presented; Pat Henderson seconded the motion.

VOTE: Motion Passed; Unanimous

## **Welcome**

Commissioner Comer welcomed everyone to the meeting. Commissioner Comer informed the board that he visited the 119<sup>th</sup> county extension office this week and will visit the 120<sup>th</sup> county on December 30.

## **Executive Director's Report**

Commissioner Comer yielded the floor to Roger Thomas, Executive Director, Governor's Office of Agricultural Policy (GOAP) to give his report.

Mr. Thomas announced that he, as well as other GOAP staff, attended the Soar Summit on December 9 in Pikeville hosted by Governor Steve Beshear and Congressman Hal Rogers. The summit was well attended by approximately 1,500 people including those from other states as well as the legislative delegation from eastern Kentucky.

Mr. Thomas informed the board that the next KADB meeting will be held at 10:00 a.m. on Friday, January 17, 2014, at the Fayette County Extension Office in Lexington.

Mr. Thomas stated that the Blue Application Review Committee will meet at 1:00 p.m. today in Room C.

Mr. Thomas called on Bill McCloskey, Director of Financial Services, to review the Kentucky Agricultural Finance Corporation (KAFC) Statement of Financial Position (on file with the Board Secretary) as of November 30, 2013

Dr. Betty Bailey moved to accept the KAFC Financial Report; Troy Rankin seconded the motion.

VOTE: Motion Passed; Unanimous

Mr. McCloskey announced the next KAFC Board meeting will be held at 10:00 a.m. on Friday, January 10, 2014, at the Transportation Cabinet Office Building in Frankfort.

Mr. Thomas called on Aleta Botts, Executive Director, Kentucky Center for Agriculture and Rural Development (KCARD) to give an update to the board since the last meeting. Ms. Botts stated that they have been conducting Ag Facilitation Workshops and will be reaching out to eastern Kentucky regarding available programs.

Mr. Thomas informed the board that applicant Carl Waits testified on behalf of the Jessamine County FFA Alumni Association, Inc. – Farmers Back to School project at the December Tobacco Settlement Agreement Fund Oversight Committee meeting. The Committee took no action regarding the Board's decision to no fund the project.

Mr. Thomas stated that on December 9 briefs were filed in Franklin Circuit Court related to the recent MSA arbitration ruling requesting Judge Phillip Shepherd to 1) vacate the rulings of the partial settlement that the three judge panel approved, and 2) to vacate the award issued on September 11, 2013, which found Kentucky and five other states to be non-diligent in their enforcement efforts.

Mr. Thomas informed the board that Colorado, who was found to be diligent by the three judge panel, also filed a motion in their state to vacate the partial settlement as they realize that the partial settlement for the 22 states, if it stands, will have an adverse effect for all states. In Kentucky, it will not only affect our program, but will also affect early childhood development and cancer research.

Dean Smith suggested the board begin to strategize about the future of the KADF. Mr. Thomas agreed with the point made by Dean Smith to do an assessment going forward. In addition, Dean Smith referred to the handout (on file with the board secretary) by the Cooperative Extension Service entitled "The Kentucky Agricultural Economic Outlook for 2014" estimating cash receipts from Agriculture for 2014 to be \$6.5 billion, up \$1.5 billion over 2012.

Commissioner Comer informed the board that the University of Pikeville has joined KDA's Farm to Campus program, becoming the fifth campus to buy local and Kentucky Proud products. Other campuses include Eastern Kentucky University, Morehead State University, Asbury College and Campbellsville University.

## **New Business**

### **New Applications for Referral<sup>1</sup>**

Commissioner Comer called on Mr. Thomas to present the new applications for referral.

Mr. Thomas referenced two (2) applications for referral:

Sam Moore moved to refer the submitted applications; Dr. Bailey seconded the motion.

VOTE: Motion Passed; Unanimous

### **Programs Recommended for Approval<sup>2</sup>**

Commissioner Comer called on Mr. Thomas to present the programs recommended for approval.

Mr. Thomas referenced two (2) County Agricultural Investment Program (CAIP) applications requesting county funds totaling \$373,029; one Deceased Farm Animal Removal Program (DAR) application requesting county funds totaling \$7,500; and three (3) Shared-use Equipment applications requesting county funds totaling \$15,625. Total program funding requested \$396,154.

Dr. Bailey moved to approve the program recommendations as presented; Don Goodin seconded the motion.

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<sup>1</sup> A detailed list of Applications for Referral is attached as Appendix A.

<sup>2</sup> A detailed list of projects funded under the County Agricultural Investment Program, Deceased Farm Animal Removal Program and Shared-use Equipment Program is attached as Appendix B.

VOTE: Motion Passed; Unanimous

### **Requested Program Amendments<sup>3</sup>**

Commissioner Comer called on Mr. Thomas to present the requested program amendments.

Mr. Thomas referenced three (3) CAIP Amendments requesting county funds totaling \$135,555.

Jim Mahan moved to approve the program amendments as presented; Dr. Teferi Tsegaye seconded the motion.

VOTE: Motion Passed; Unanimous

### **Project Recommendations for Funding**

Commissioner Comer called on staff to present the following project recommendations for funding:

#### **A2013-0265 ProEquine Link, LLC**

Biff Baker, Project Manager, presented the above-referenced project from ProEquine Link, LLC requesting \$13,500 to develop an equine database website.

The White Application Review Committee recommended funding this request for \$1,500 in Scott County funds and \$2,500 in Woodford County funds, and matching those commitments with state funds for a total of \$8,000.

Mr. Rankin moved to approve the committee recommendation; Sam Lawson seconded the motion.

VOTE: Motion Passed; Unanimous

#### **A2013-0275 The Weekly Juicery, LLC**

Mr. Baker presented the above-referenced project from The Weekly Juicery (TWJ) requesting \$482,500 in state funds to renovate a centralized manufacturing and distribution facility that can produce juice made from fresh organic vegetables. A portion of the funds will also be used to help renovate one of the additional retail stores that TWJ intends to open.

The Blue Application Review Committee recommended funding this request for \$310,000 in state funds in the form of a \$235,000 loan and a \$75,000 grant.

Mr. Rankin and Ms. Curtis stated that the intent of the Committee recommendation was for the loan to meet the underwriting standards of the KAFC. Once met, state funds would be awarded.

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<sup>3</sup> A detailed list of County Agricultural Investment Program Amendments is attached as Appendix C.

After discussion, Mr. Thomas suggested in lieu of the KAFC board approving the loan, a three member committee of the KADB be appointed to work with Mr. McCloskey and Cyndi Hall, Loans Program Manager, to review the financials and verify that the guidelines are met and that all other terms and conditions would still apply.

Mr. Henderson moved to approve the recommended motion; Dr. Tsegaye seconded the motion.

After discussion, Mr. Mahan called the question.

VOTE: Motion Passed; with dissention.

Mr. Thomas appointed Mr. Mattingly, Mr. Rankin and Mr. Goodin to The Weekly Juicery Committee.

**A2013-0290            Taylor County Cattlemen's Association, Inc.**

Mr. Baker presented the above-referenced project from Taylor County Cattlemen's Association, Inc. requesting \$15,000 in Taylor County funds to implement a heifer chain program for beef and dairy cattle.

The Blue Application Review Committee recommended funding this request for \$15,000 in Taylor County funds.

Mr. Mahan moved to approve the committee recommendation; Ms. Curtis seconded the motion.

VOTE: Motion Passed; Unanimous

**A2013-0291            Nicholas County Fiscal Court**

Mr. Baker presented the above-referenced project from Nicholas County Fiscal Court requesting \$12,000 in Nicholas County funds to construct a 21' x 16' kitchen area within the Nicholas County livestock building.

The Blue Application Review Committee recommended funding this request for \$12,000 in Nicholas County funds.

Ms. Curtis moved to approve the committee recommendation; Dr. Bailey seconded the motion.

VOTE: Motion Passed; Unanimous

**A2013-0299            Nona's Downtown Market, LLC**

Mr. Baker presented the above-referenced project from Nona's Downtown Market, LLC requesting \$10,000 in state funds and \$5,000 in Daviess County funds to purchase refrigeration and display equipment and a sound/alarm system for a market/deli/shop that specializes in Kentucky Proud products and food items.

The Blue Application Review Committee recommended funding this request for \$5,000 in Daviess County funds and does not support the request for state funds.

Dr. Bailey moved to approve the committee recommendation; Mr. Rankin seconded the motion.

VOTE: Motion Passed; Unanimous

**A2013-0300                    Fayette County 4-H Council, Inc.**

Mr. Baker presented the above-referenced project from Fayette County 4-H Council, Inc. requesting \$60,945 in Fayette County funds to construct a livestock barn to house project animals for the Fayette County 4-H Livestock Club.

The Blue Application Review Committee recommended funding this request for \$60,945 in Fayette County funds.

Mr. Rankin moved to approve the committee recommendation; Mr. Mahan seconded the motion.

VOTE: Motion Passed; Unanimous

**A2013-0310                    Mercer County Fair & Horse Show, Inc.**

Tammy Brookshier, Program Coordinator, presented the above-referenced project from Mercer County Fair & Horse Show, Inc. requesting \$107,391 in state funds and \$20,000 in Mercer County funds under the 2013 Farmers' Market Competitive Grant Program.

The Blue Application Review Committee recommended funding this request for \$94,391 in state funds and \$20,000 in Mercer County funds under the 2013 Farmers' Market Competitive Grant Program.

Mr. Moore moved to approve the committee recommendation; Mr. Mahan seconded the motion.

VOTE: Motion Passed; Unanimous

**A2013-0311                    Muhlenberg County Fiscal Court**

Ms. Brookshier presented the above-referenced project from Muhlenberg County Fiscal Court requesting \$125,000 in state funds under the 2013 Farmers' Market Competitive Grant Program.

The Blue Application Review Committee recommended funding this request for \$125,000 in state funds under the 2013 Farmers' Market Competitive Grant Program.

Mr. Rankin moved to approve the committee recommendation; Dr. Tsegaye seconded the motion.

VOTE: Motion Passed; Unanimous

**A2013-0312                      Rowan County Fiscal Court**

Ms. Brookshier presented the above-referenced project from Rowan County Fiscal Court requesting \$7,000 in state funds and \$7,000 in Rowan County funds under the 2013 Farmers' Market Competitive Grant Program.

The Blue Application Review Committee recommended funding this request for \$7,000 in state funds and \$7,000 in Rowan County funds under the 2013 Farmers' Market Competitive Grant Program.

Dr. Bailey moved to approve the committee recommendation; Mr. Goodin seconded the motion.

VOTE: Motion Passed; Unanimous

**A2013-0313                      Simpson County District Board**

Ms. Brookshier presented the above-referenced project from Simpson County District Board requesting \$50,000 in state funds under the 2013 Farmers' Market Competitive Grant Program.

The Blue Application Review Committee recommended funding this request for \$50,000 in state funds under the 2013 Farmers' Market Competitive Grant Program.

Mr. Mattingly moved to approve the committee recommendation; Mr. Rankin seconded the motion.

VOTE: Motion Passed; Unanimous

**Project Recommendations for No Funding**

Commissioner Comer called on Ms. Brookshier to present the four (4) project recommendations for No Funding.

**A2013-0271                      Community Farmers Market LLC**

Ms. Brookshier presented the above-referenced project from Community Farmers Market LLC requesting \$80,000 in state funds under the 2013 Farmers' Market Competitive Grant Program.

The Blue Application Review Committee recommended no funding this request due to an incomplete application and not meeting the requirements of the 2013 Farmers' Market Competitive Grant Program.

**A2013-0308 Cave City Tourism & Convention Commission**

Ms. Brookshier presented the above-referenced project from Cave City Tourism & Convention Commission requesting \$4,000 in state funds under the 2013 Farmers' Market Competitive Grant Program.

The Blue Application Review Committee recommended no funding this request due to ineligible expenses requested and not meeting the requirements of the 2013 Farmers' Market Competitive Grant Program. The applicant was referred to the Kentucky Department of Agriculture for marketing expenses.

**A2013-0309 Sustainable Glasgow, Inc.**

Ms. Brookshier presented the above-referenced project from Sustainable Glasgow, Inc. requesting \$150,000 in state funds under the 2013 Farmers' Market Competitive Grant Program.

The Blue Application Review Committee recommended no funding this request due to an incomplete application and not meeting the requirements of the 2013 Farmers' Market Competitive Grant Program.

**A2013-0314 From The Farm Market**

Ms. Brookshier presented the above-referenced project from From The Farm Market requesting \$60,000 in state funds and \$5,000 in county funds under the 2013 Farmers' Market Competitive Grant Program.

The Blue Application Review Committee recommended no funding this request due to an incomplete application and not meeting the requirements of the 2013 Farmers' Market Competitive Grant Program.

Mr. Goodin moved to approve the committee recommendations for all four projects; Mr. Sidebottom seconded the motion.

VOTE: Motion Passed; Unanimous

Mr. Neaveill, Chief of Staff, noted that the board set aside \$250,000 in state funds at the beginning of the year for the Farmers' Market Competitive Grant Program. The last round of the farmer's market applications approved by the board exceeded the \$250,000 set aside for the program. The committee, however, felt that all four projects warranted approval.

**Pending Applications**

Commissioner Comer called on Mr. Thomas to present the following pending applications and invited the board to ask questions of any:

A2013-0217	Franklin Simpson High School Agricultural Education Program
A2013-0276	Appalachia-Science in the Public Interest
A2013-0292	Carter County Soil Conservation District
A2013-0301	James Wesley Spurrier, Jr.

No action necessary.

## **Old Business**

### **Action Items - 2014 KADF Program Approval**

Commissioner Comer called on Mr. Neaveill to present the action items for the proposed 2014 program revisions.

#### **Deceased Farm Animal Removal (DAR) & Shared-Use Equipment**

Mr. Neaveill stated that there are no proposed changes to the DAR or Shared-Use Equipment programs for 2014 and asked the board to continue the programs for 2014 under the current guidelines and the current pieces of equipment identified.

Mr. Rankin, moved to add a GPS to the Shared-Use Equipment program.

Mr. Henderson asked to have a three person committee appointed to create guidelines regarding a GPS being added to the Shared-Use Equipment program and report back to the board. Mr. Rankin was chosen as one of the three committee members.

Mr. Neaveill stated that approval was needed of the DAR recommendation for no changes for 2014 and the evaluation by committee of adding a GPS to the Shared Use Equipment.

After discussion, the recommendation was amended to proceed with the GPS.

Mr. Rankin moved to approve the amended recommendation; Ms. Curtis seconded the motion.

VOTE: Motion Passed; Unanimous

#### **On-Farm Energy Efficiency & Production Incentives Program**

Mr. Neaveill stated that there are some significant changes recommended for this program versus the guidelines approved last year. The summary of the recommended changes are:

- The reduction of the eligible amount from \$15,000 to \$10,000
- Two application periods versus four
- \$500,000 per application period for a total of \$1,000,000 allocated for 2014
- Elimination of the energy production component thereby focusing on energy efficiency

Mr. Mattingly moved to approve the staff recommendation; Mr. Henderson seconded the motion.

VOTE: Motion Passed; with dissention

**Farmers' Market Infrastructure Competitive Grant Program**

Mr. Neaveill stated that the recommendation is to not go forward with the 2014 Farmers' Market Competitive Grant program and that the board entertain future Farmers Market projects on a case-by-case basis.

Mr. Moore moved to approve the staff recommendation; Mr. Rankin seconded the motion.

VOTE: Motion Passed, Unanimous

**County Agricultural Investment Program (CAIP)**

Mr. Neaveill stated that the CAIP guideline changes affect the eligibility of certain items.

**Farm Infrastructure**

Mr. Neaveill informed the board that county administrators requested the guidelines be changed to include Farm Equipment Storage

After discussion, Mr. Mattingly made a motion to keep the Farm Structure guidelines the same as 2013's guidelines; Dean Smith seconded the motion.

VOTE: Motion Failed.

After discussion, Ms. Curtis made a motion to accept the staff recommendation to include Farm Equipment Storage; Mr. Rankin seconded the motion.

VOTE: Motion Passed; with dissention

**Animal, Small / Technology & Leadership Development**

Mr. Neaveill informed the board of the recommendation to include Swine Production to the Animal, Small category and Farm Safety to the Technology & Leadership Development category.

Mr. Mahan moved to approve the staff recommendations; Mr. Sidebottom seconded

VOTE: Motion Passed; Unanimous

**Producer Application**

Mr. Neaveill reviewed the recommended changes with the board and called on Kylee Palmer, Director of Compliance to assist in the review.

After discussion, Dean Smith moved to eliminate Question 11; Mr. Collins seconded the motion.

VOTE: Motion Passed, Unanimous

After discussion, Ms. Curtis made a motion to leave the scoring for Question 7 at 2 points for yes and 7 points for no; Dr. Bailey seconded the motion.

VOTE: Motion Passed, Unanimous

Mr. Mahan thanked Dean Smith for the work done for agriculture in Kentucky. The Board congratulated Dean Smith. Dean Smith stated that he had an unbelievable opportunity to work for this board.

Commissioner Comer entertained a motion to go into closed session pursuant to KRS 61.810(1)(c) to discuss proposed litigation.

Mr. Henderson moved to go into closed session; Dr. Bailey seconded the motion.

VOTE: Motion Passed; Unanimous

#### **Adjournment**

Commissioner Comer entertained a motion to adjourn the KADB meeting.

Dr. Bailey moved to adjourn the December KADB meeting; Mr. Henderson seconded the motion.

VOTE: Motion Passed; Unanimous

The KADB meeting adjourned at 12:50 p.m. (EST).

APPROVED DATE:

1/17/14

PRESIDING OFFICER:

Jamie Link

BOARD SECRETARY:

Teresa Spreitzer

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**Appendix C: Program Amendments**

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**App #** A2013-0208  
**Applicant Name** Jackson County Cattlemen's Association, Incorporated  
**Original Amount Approved** \$141,000  
**Execution Date** 8/8/2013  
**Requested Change** The applicant requests an additional \$30,000 in Jackson County funds for the CAIP program. The request received a high priority from the Jackson County Council.  
This is the first request for an amendment to this application number. The term of the program shall remain 12-months from the execution date of the original agreement.  
Approval of this request would bring the program total to \$171,000.  
**Recommend Approval**

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**App#** A2013-0222  
**Applicant Name** Scott County Conservation District  
**Original Amount Approved** \$250,700  
**Execution Date** 9/30/2013  
**Requested Change** The applicant requests an additional \$25,000 in Scott County funds for the CAIP program. The request received a high priority from the Scott County Council.  
This is the first request for an amendment to this application number. The term of the program shall remain 12-months from the execution date of the original agreement.  
Approval of this request would bring the program total to \$275,700.  
**Recommend Approval**

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**App#** A2013-0269  
**Applicant Name** Buffalo Trace Area Development District  
**Original Amount Approved** \$203,655  
**Execution Date** 10/1/2013  
**Requested Change** The applicant requests an additional \$80,555 in Bracken County funds for the CAIP program. The request received a high priority from the Bracken County Council.  
This is the first request for an amendment to this application number. The term of the program shall remain 12-months from the execution date of the original agreement.  
Approval of this request would bring the program total to \$284,210.  
**Recommend Approval**

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## Appendix A: Applications for Referral

APP #	APPLICANT	COUNTY
A2013-0302	Metcalfe County 4-H Council, Incorporated <i>4-H Country Ham Project</i>	Metcalfe
A2013-0315	Menifee County 4-H <i>Country Ham Project</i>	Menifee

## Appendix B: Program Lists

### CAIP

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2013-0316	Anderson County Farm Bureau, Inc.	Anderson	\$133,788.00
A2013-0318	Metcalf County Conservation District	Metcalf	\$239,241.00
			<b>\$373,029.00</b>

### Deceased Farm Animal Removal Program

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2013-0321	Harrison County Fiscal Court	Harrison	\$7,500.00
			<b>\$7,500.00</b>

### Shared-use Equipment

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2013-0317	Jackson County Cattlemen's Association Incorporated	Jackson	\$3,596.00
A2013-0319	Kentucky Ketch, Inc.	Clay	\$7,632.00
A2013-0320	Pulaski County Conservation District	Pulaski	\$4,397.00
			<b>\$15,625.00</b>

Total County Funds Recommended for Approval in Programs: **\$396,154.00**



Kentucky Agricultural Development Board Meeting  
**MEETING AGENDA**

*Franklin County Cooperative Extension Office  
101 Lakeview Court, Room E/F  
Frankfort, Kentucky 40601*

**Friday, December 20, 2013  
10:00 a.m. (EST)**

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**Call to Order**

**Roll Call**

**Notification of Media**

**Welcome**

**Review and Approval of Meeting Minutes for November 22, 2013**

**Executive Director's Report**

Roger Thomas, Executive Director

**New Business**

New Applications for Referral  
Programs Recommended for Approval  
Requested Program Amendments  
Recommendations for Funding  
Recommendations for No-Funding  
Pending Applications

**Old Business**

2014 KADF Program Approval

**Adjournment**